



## MAYOR ROBERT GARCIA CITY OF LONG BEACH

March 30, 2017

The Honorable Patrick O'Donnell  
California State Assembly  
State Capitol, Room 2196  
Sacramento, CA 95814

### **RE: Support for AB 655 (O'Donnell): California Renewables Portfolio Standard Program**

Dear Assemblymember O'Donnell:

On behalf of the City of Long Beach, thank you for authoring AB 655. This legislation, jointly sponsored by the International Brotherhood of Electrical Workers (IBEW), Covanta Energy and the City of Long Beach, impacts only existing waste to energy facilities in California that have consistently operated at least 20 percent below permitted pollutant concentration limits over the past five-years. For these limited facilities, AB 655 would classify energy produced as renewable energy.

Published July 3, 2012, *CalRecycle Review of Waste-to-Energy and Avoided Landfill Methane Emissions*, concludes, "The three existing California waste-to-energy facilities provide net avoided methane emissions over waste otherwise disposed in a California landfill." Long Beach is proud to own and contract with Covanta Energy to operate the largest of these three waste-to-energy facilities in California. Municipal solid waste that is brought to the facilities is diverted from landfills, used as a fuel stock for producing green baseload energy, and then that energy is sold for a cost, with revenues returning to support operations and maintenance at the waste-to-energy facilities.

While the benefits of waste-to-energy, as compared to landfilling are numerous, inequities in existing State policies are severely threatening the economic viability of the facilities. The challenge is that revenue from energy sales at the facility in Long Beach will soon drop by over 70%, due to an expiring contract. Changes in the energy market since the original contract was signed have also impacted economics at the facility; throughout this time, the Southeast Resource Recovery Facility in Long Beach (SERRF) has been an asset to the City. Without legislative changes to enable marketability of the power produced at waste-to-energy facilities, the future viability of these facilities, including SERRF, will become unstable, with the potential for closure.

AB 655 presents an opportunity to bring equity to the energy market, as it relates to waste management. For years, energy produced by landfills has been classified as “renewable,” whereas energy produced by waste-to-energy facilities have *not* been classified as renewable. This inequity has placed waste-to-energy facilities at a disadvantage when negotiating energy pricing in contracts. By classifying power produced at limited and qualifying waste-to-energy facilities as “renewable” energy, AB 655 would eliminate this inequity. This change in State law will enable waste-to-energy operators to negotiate energy contracts on a level playing-field with landfills.

Last but not least, AB 655 is also important for supporting the viability of narcotics disposal in California. Since 1988, Long Beach has been able to use our waste-to-energy to destroy 12.5 million pounds of confiscated narcotics and drug paraphernalia for over 200 cities, counties, and state and federal law enforcement agencies. As long as the facility remains economically viable, Long Beach will continue to provide this service. However, if the facility cannot remain economically viable, we will be forced to close SERRF, and not only will additional waste be sent to landfills, but California will no longer have any options for illegal narcotic disposal.

Given these reasons, the City of Long Beach is proud to partner with the IBEW and Covanta Energy to sponsor AB 655. Thank you for authoring this important piece of legislation.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Robert Garcia', with a stylized flourish at the end.

Mayor Robert Garcia  
City of Long Beach

cc: The Honorable Speaker Anthony Rendon, State Assembly  
The Honorable Steven Bradford, State Senate, 35th District  
The Honorable Ricardo Lara, State Senate, 33rd District  
The Honorable Janet Nguyen, State Senate, 34th District  
The Honorable Mike Gipson, State Assembly, 64th District  
Assembly Committee on Natural Resources